

SECRET

Journal - Office of Legislative Counsel
Wednesday - 20 October 1971

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13. (Secret - GLC) James Woolsey, Armed Services Committee staff, called to report that yesterday Senators Stennis and Symington discussed the scope of the Symington amendment with respect to U.S. embassy and Agency station costs. Symington has agreed that these costs should not be included in the ceiling imposed by his amendment but told Stennis he wanted to know as a matter of his own information what these costs were. Woolsey asked that we give him a paper today on the cost of Agency expenditures in Laos other than paramilitary operations. He said Ed Braswell was obtaining cost figures on the embassy from the State Department.

Later in the day, after conferring with General Counsel and OPPB on figures provided by FE Division, I gave Braswell a blind memo stating the amount of the Agency budget (excluding paramilitary costs) for Laos for FY 1972. On advice from John Clarke I told Braswell that he should not assume this figure would remain the same in subsequent years. I told him that, if Senator Stennis wants all Agency paramilitary expenditures for Laos terminated we will have to make some adjustments in our Laos budget and it was possible that our figure for non-paramilitary expenditures in Laos for FY 1973 could be increased by one and a half times the FY 1972 figure. Braswell said he understood. I also told him the figure I had given him should be treated as a CIA Subcommittee matter and again he said he understood.

Mr. Braswell mentioned in passing that it looked like the House Committee was going to accept the Symington amendment as it passed the Senate. I expressed grave concern about this and told him that independently of our efforts Fred Buzhardt, DOD, had come up with similar language changes in the amendment and he (Braswell) could expect to hear from Buzhardt on this. Braswell commented that time had just about run out. He said this would probably all be settled by the conferees tomorrow.

In a later conversation on this subject, Frank Slatinshek, House Armed Services Committee staff, said the House conferees have not reached a decision on the amendment and the issue will not be settled in the Conference tomorrow..

14. (Secret - GLC) Talked to Bill Woodruff, Senate Appropriations Committee staff, about a time for Mr. Duckett to brief him on a sensitive overhead reconnaissance program. Woodruff said that since his work has accelerated considerably he has decided to put this over until a later date. He said he would be back in touch with us on it.

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DOS review(s) completed.

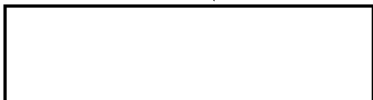
SECRET EYES ONLY

20 October 1971

MEMORANDUM

SUBJECT: FY 1972 CIA Budget for Laos

The Fiscal Year 1972 Central Intelligence Agency
budget for Laos, excluding paramilitary operations, is



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APPROVED BY J: AMB. JOHNSON

EA/LC: MR. CORCORAN (DRAFT)

CIA: [REDACTED]

AID: MR. MORGAN/MR. LEVIN (DRAFT) L/EA: MR. STARR

EA/TB: MR. DEXTER (DRAFT)

EA: MR. SULLIVAN

ISA: ADM. FLANAGAN (DRAFT)

S/S: MR. MILLER

JS/J5: GEN. BURROWS (DRAFT)

WH: MR. NEGROPONTE

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JOINT STATE/DEFENSE/CIA/AID MESSAGE

BANGKOK PASS RED

SUBJ: SYMINGTON AMENDMENT IN MILITARY PROCUREMENT
AUTHORIZATION LAW ACT

REF: STATE 204911

1. SYMINGTON AMENDMENT (SECTION 505) IN MILITARY PROCUREMENT
AUTHORIZATION ACT SIGNED BY PRESIDENT NOVEMBER 17 MAY POSE
SOME PROBLEMS OF WHICH WE WISH YOU TO BE AWARE.

2. FOLLOWING IS INTERAGENCY INTERPRETATION OF SYMINGTON
AMENDMENT IN THE LIGHT OF ITS LEGISLATIVE HISTORY INCLUDING
THE STATEMENT OF MANAGERS (REFTEL). CEILING SHOULD BE
CONSIDERED TO INCLUDE ALL ASSISTANCE-RELATED ACTIVITIES

DEPARTMENT OF STATE TELEGRAM

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LAOS. AS IS SHOWN BY PARA TWO OF THE STATEMENT OF MANAGERS (PARA 2 REFTEL), THE CONFEREES HAD IN MIND ESPECIALLY THOSE PROGRAMS FOR LAOS DISCUSSED BEFORE THE SENATE ARMED SERVICES COMMITTEE (SASC) ON JULY 22, 1971, NAMELY LAO MASF (DOLS 221.2 MILLION), AID (DOLS 50.6 MILLION, SEE PARA 3 LOW), AND CIA PARAMILITARY PROGRAM [REDACTED] THE COSTS OF THESE PROGRAMS ADDED APPROXIMATELY TO DOLS 346.8 MILLION, THEREBY LEADING TO THE DOLS 350 MILLION CEILING WHICH CONGRESS UNDERSTOOD WAS EQUIVALENT TO PROGRAMMED FY-72 EXPENDITURES AND WOULD THEREFORE NOT REQUIRE PROGRAM CUTS. THE CONFERENCE REPORT SPECIFICALLY EXCLUDED FROM CEILING INTER-EMBASSY, "NORMAL" EMBASSY COSTS (SEE PARA 12, REFTEL) WHICH SASC AFF MEMBER SAID WAS WORDED TO EXCLUDE ALSO USIA EXPENSES OF CIA INTELLIGENCE PROGRAMS, WHICH ARE NOT ASSISTANCE RELATED. WE ALSO BELIEVE THAT AID TO SOUTH VIETNAMESE FORCES IN OPERATIONS AGAINST SANCTUARIES AND TRAIL IN LAOS ARE NOT ASSISTANCE-RELATED ACTIVITIES IN LAOS" AND HENCE NOT TO BE INCLUDED UNDER THE CEILING. COMBAT AIR OPERATIONS BY US MILITARY FORCES IN LAOS CAN, WE BELIEVE, BE CONSTRUED TO INCLUDE ARDF, RECONNAISSANCE, SAR FOR US AND GVN PILOTS, HELILIFT FOR [REDACTED] OPERATIONS. STATEMENT OF MANAGERS ALSO INDICATES (PARA 9 REFTEL) THAT QUARTERLY REPORTING SHOULD BE OF EXPENDITURES FOR ONLY THOSE PROGRAMS UNDER THE CEILING.

25X1A

25X1C

WE THEREFORE CONSIDER THAT EXPENDITURES FOR THE FOLLOWING PROGRAMS SHOULD BE INCLUDED IN YOUR REPORTING REQUIREMENTS US:

AID: AID PROGRAM FOR LAOS (FEOF, USIP, PROJECTS): PL-480 TITLE II; REGIONAL FUNDS EARMARKED FOR EXPENDITURES IN OR FOR LAOS (E.G. NAM NGUM). RE FIRST CATEGORY, WE ARE ASSUMING SUBJECT TO FINAL CONGRESSIONAL ACTION ON AID APPROPRIATION) 1972 PROGRAM OF DOLS 47.3 MILLION SINCE AID INFORMED CONGRESS SUBSEQUENT TO CONGRESSIONAL PRESENTATION THAT THE DOLS 50.6 MILLION INCLUDED FOR LAOS WAS REDUCED BY DOLS 3.3 MILLION FOR FUNDS SHIFTED TO OTHER AGENCIES.

DOD: LAO MASF; DOD OVERHEAD COSTS (DEPCHIEF AND PROJECT 4), US FORCES AIR ACTIVITIES IN LAOS OTHER THAN THOSE ENUMERATED IN PARA 2. (STATE MAY RAISE WITH SASC POSSIBILITY OF EXCLUDING FROM CEILING CERTAIN AIR ACTIVITIES

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CONDUCTED BY US MILITARY FORCES SUCH AS LOGISTIC AIRLIFT
ACTIVITIES, HELILIFT AND MEDEVAC FOR LOCAL FORCES AND SAR
FOR RLAF PERSONNEL.)

CIA: LAO PARAMILITARY PROGRAM (NOT INCLUDING INTELLIGENCE
OPERATIONS).

4. "EXPENDITURES" IN THE AMENDMENT IS INTERPRETED TO MEAN
ACTUAL DELIVERIES TO LAOS, INSOFAR AS MATERIEL IS CONCERNED.
THIS WILL REQUIRE A REPORTING SYSTEM DIFFERENT FROM THAT
USED TO DATE FOR MOST CONGRESSIONAL AND OTHER PURPOSES AS IT
COUNTS ITEMS AS THEY ENTER LAOS. WE RECOGNIZE THAT ACTUAL
DELIVERIES TO LAOS ARE VERY DIFFICULT TO PROJECT WITH GREAT
ACCURACY PARTICULARLY WITHOUT RECORD OF EXPERIENCE. WE
HOPE THAT PREPARATION OF REPORT FOR FIRST SIX MONTHS, DUE
IN JANUARY, WILL PROVIDE VALUABLE EXPERIENCE FOR DEVISING
ACCOUNTING PROCEDURES TO PROVIDE REASONABLY ACCURATE
PREDICTIONS FOR VALUE OF DELIVERIES IN ORDER TO CONTROL
IMPLEMENTATION OF THE CEILING.

5. WE ARE CURRENTLY EXAMINING THE PROBLEM OF SUPPORTING THE
FY-72 PROGRAM WITHIN THE DOLS 350 MILLION CEILING. CIA IS
WORKING OUT MORE ACCURATE ESTIMATES OF EXPENDITURES BASED
ON REALITIES OF [REDACTED] (RATHER THAN SIMPLE EXTENSION
OF COSTS BASED ON PROGRAMMING FOR FULL [REDACTED]). DOD IS
REVIEWING SYSTEM FOR MANAGEMENT OF LAOS MASF AND WILL SOON
DISPATCH INSTRUCTIONS AIMED AT EXPLORING ALL AREAS FOR SAVINGS
THROUGH USE OF LONG SUPPLY AND EXCESS, VALIDATION OF
REQUIREMENTS, AND APPLICATION OF COST EFFECTIVENESS TECHNIQUES.
IN THIS REGARD, REQUIREMENTS OFFICE MUST COOPERATE FULLY WITH
DEPCHIEF WHEN REQUESTED BY HIM TO PROVIDE DATA ON
REQUIREMENTS, DELIVERIES, USAGE, AND IN IDENTIFYING POSSIBLE
ECONOMIES IN THE PROGRAM. WE WISH TO MAKE EVERY EFFORT TO
INSURE THAT COMPLIANCE WITH THE AMENDMENT WILL HAVE MINIMUM
EFFECT ON ESSENTIAL ELEMENTS OF FY-72 PROGRAM.

6. WE SHALL KEEP YOU INFORMED OF OUR EFFORTS HERE AND WILL
BE SENDING GUIDANCE ON REPORTING REQUIREMENTS AS THEY ARE
WORKED OUT BY EACH AGENCY. GP-2. ROGERS

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